Introduction:
The Romeo and Juliet of economic transformation

by
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Let’s begin with a proposition: The UN Sustainable Development Goals (SDGs) and the OECD’s New Approaches to Economic Challenges (NAEC) Initiative were made for each other. They are the Romeo and Juliet of economic transformation.

Consider first the SDGs. Last September at the UN, world leaders adopted an ambitious, 15-year blueprint for a better world. The goals are broad, universal and, indeed, potentially transformative. They envision nothing less than saving our planet for future generations, ending extreme poverty and hunger, and creating a healthier, safer, more inclusive world.

I say “potentially transformative” because achieving these sweeping objectives will require an unprecedented global effort. Decisions made by our governments in the next few years will determine the quality of life for generations to come around the globe.

But this is not a matter of the rich countries extending a hand to the poor ones – or dictating development approaches and policies. This time around, the leaders of the world’s rich countries and its poor countries must work together to find common solutions that recognise our interdependence as well as our independence.

Tackling the 17 goals in the UN’s 2030 Agenda for Sustainable Development will require new thinking in developed and developing countries alike, among leaders and civil society, in the corporate boardrooms and the village halls. The innovations will require fundamental changes in our patterns of consumption and production, and a recognition that we are all in this together.

Indeed, each individual goal – and the means of meeting it – will need to be viewed through the lens of policy coherence. This requires understanding that decisions made on one goal will have an impact on other goals. It’s a vision that is less straightforward and simple than conventional practices.

As Kitty van der Heijden of the World Resources Institute told the NAEC workshop at the OECD in January, actions by all will have to benefit all.
We can say with certainty that the SDGs require dynamic new approaches to economic challenges.

This brings us to the second prospective partner in this marriage: The OECD’s New Approaches to Economic Challenges, or the NAEC. The objective of the NAEC is to stimulate new thinking on integrated, multi-dimensional solutions to the world’s most intractable economic and social problems.

The approach is rooted in the principles that we must make tough decisions together and that we must understand the impact of one policy decision on other decisions, which is not always obvious or considered. The NAEC weighs the impact of uncertainty, spillovers, trade-offs and systemic risks in an effort to transform mind sets, policies and ultimately economies.

Will this marriage work? The NAEC provides an intellectual and practical framework for precisely the coherent, co-operative and universal approach required to achieve the targets set forth in the SDGs. And, like the SDGs themselves, this framework can be applied by all of us and to all of us – OECD members, emerging and developing countries and international organisations working to find solutions.

Words are cheap and the challenges are huge. But the opportunities to make the world a better place are very real – if we make the right decisions.

Progress is possible on a global scale. We have seen it. The agreement reached in Paris in December on combating climate change was a big step forward, though there remains a long way to go if we are to stop killing our planet.

The Millennium Development Goals showed what could be accomplished by focusing global attention on developing countries – child mortality rates were cut by more than half, so was the number of people living on less than USD 1.25 a day, to name just two results.

In the narrowest sense, the SDGs are an extension of that unfinished anti-poverty effort. Clearly, rich countries still need to
help the poorest countries. The SDGs don’t absolve us of that responsibility.

But the SDGs represent a very different agenda. Yes, the SDGs ask developed countries to redouble their efforts on behalf of developing countries, especially the poorest of the poor. Equally important, however, they require us to take a hard look at ourselves. No country can say that it has no work to do when it comes to improving our societies. In the eyes of the SDGs, we are all developing countries.

Indeed, the SDGs are the mirror in which we see our own policies and performance reflected. The picture isn’t pretty in some categories. For instance, we all need to do a better job of fostering inclusive growth and adopting sustainable consumption patterns. We all need to make sure that, at the very least, our policies do no harm to the rest of the world.

These dual objectives of the SDGs – helping others while helping ourselves – are where the OECD and the NAEC initiative are the right match. No organisation is better equipped to work with both developed and developing countries than the OECD. We have been doing it for more than half a century.

At the same time, the fundamental and dynamic re-thinking of the path to solving global economic challenges embodied in the NAEC provides the right methodology for tackling the interrelated complexities of the 2030 Agenda.

In short, the integrated approach prescribed by the NAEC recognises our global responsibility to find universal solutions to the challenges of the SDGs. Our self-interest demands that we do so.

Returning to our star-crossed lovers, it seems self-evident that the SDGs and the NAEC, like Romeo and Juliet, were made for each other. Our job is to bring the Montagues and Capulets together and make sure there is a better outcome this time.
Useful links


OECD New Approaches to Economic Challenges: www.oecd.org/naec

OECD work on the Sustainable Development Goals:
www.oecd.org/dac/sustainable-development-goals.htm